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After governor's veto, Brown offers amendment to help Constantine

LANSING – State Sen. Cameron S. Brown offered an amendment on the Senate floor today to give the St. Joseph County village of Constantine the right to offer a tax abatement to help compete with Indiana for a Fortune 100 food distribution company and 400-plus jobs.

The move follows Gov. Jennifer Granholm's recent veto of legislation that would have given all Michigan villages, cities and townships the ability to offer such abatements and compete for jobs on a more even playing field with neighboring states.

"My amendment will give the village of Constantine the ability to offer a tax abatement and hopefully attract these much needed jobs," said Brown, R-Fawn River Township. "Unfortunately, the governor doesn't think other communities should have the same right."

According to Brown, a Fortune 100 food distribution company is close to making a decision between locating more than 400 jobs in the village of Constantine or just across the border in Indiana. Unfortunately, the village, like other Michigan communities, finds itself at a competitive disadvantage with its neighbors to the south.

Senate Bill 175 would have allowed Constantine and other local units of government throughout the state the ability to grant property tax abatements that could help attract or retain large-scale warehousing and distribution centers. Neighboring states like Indiana, Ohio and Illinois already have such abatements on the books.

"The governor's veto means we are forced to put yet another tiny band-aid on the massive, gaping wound that is Michigan's hemorrhaging economy," Brown said. "Today we will hopefully help Constantine, but tomorrow it could be Sturgis, Coldwater, Hillsdale or Adrian that finds itself without this economic tool that their competitors to the south have."

Granholm's decision to veto SB 175 comes at a time when U.S. Department of Commerce statistics show Michigan's gross state product (GSP) growth in 2004 ranked last among the 50 states. Michigan's GSP increased only 1.2 percent, while the national average was 4.3 percent.

In comparison, the Department of Commerce's statistics show Indiana's GSP increased 3.8 percent last year. Other Midwest states competing with Michigan communities to attract businesses also saw substantially higher GSP increases.

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